D.O.V.E. CENTER, INC.
(NONPROFIT ORGANIZATION)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

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HAFEN
BUCKNER
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& GRAFF, PC
CERTIFIED PUBLIC
ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
D.O.V.E. Center, Inc.

We have audited the accompanying statement of financial position of D.O.V.E. Center, Inc. (a nonprofit organization) as of June 30, 2005, and the related statements of activities; functional expenses; and cash flows for the year then ended. These financial statements are the responsibility of D.O.V.E. Center's management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of D.O.V.E. Center, Inc. as of June 30, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 22, 2005, on our consideration of D.O.V.E. Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Hafen, Buckner, Everett & Graff PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC
August 22, 2005

90 EAST 200 NORTH
ST. GEORGE, UT 84770
FAX: (435) 673-6166
(435) 673-6167

D.O.V.E. CENTER, INC.

Statement Of Financial Position

June 30, 2005

ASSETS		
Current Assets:		
Cash	$	109,360
Accounts Receivable (Note 4)		19,274
Other Assets		150
Total Current Assets		128,784
Fixed Assets:		
Buildings		271,510
Equipment		24,499
Furniture & Fixtures		24,564
Landscaping		13,503
Other Assets		7,000
Less: Accumulated Depreciation		(113,628)
Total Fixed Assets		227,448
TOTAL ASSETS	$	356,232
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts Payable	$	2,303
Accrued Liabilities		25,934
Total Current Liabilities		28,237
Net Assets:		
Unrestricted Net Assets:		
Operations:		
Designated by Board (Note 5)		90,000
Undesignated		877
Fixed Assets		237,118
Total Unrestricted Net Assets		327,995
TOTAL LIABILITIES & NET ASSETS	$	356,232

The Accompanying Notes Are An Integral
Part Of These Financial Statements

D.O.V.E. CENTER, INC.

Statement Of Activities
For The Year Ended June 30, 2005

	Unrestricted		
	Operations	Fixed Assets	Total
PUBLIC SUPPORT & REVENUE:			
Public Support:			
Cash contributions	$ 81,187	$ -	$ 81,187
Non cash contributions	46,479	-	46,479
Grants:			
From government agencies	295,536	-	295,536
Other	4,591	-	4,591
Total Public Support	427,793	-	427,793
Revenue:			
Interest income	1,009	-	1,009
Loss on Disposal of Fixed Asset	-	(723)	(723)
Total revenue	1,009	(723)	286
Total Public Support & Revenues	428,802	(723)	428,079
FUNCTIONAL EXPENSES:			
Program Services	323,528	12,094	335,622
Administration	68,711	1,821	70,532
Total Functional Expenses	392,239	13,915	406,154
Change in net assets	36,563	(14,638)	21,925
Property & Equipment Acquisitions & Transfers From Current Funds	(4,967)	4,967	-
Net assets, beginning of year	68,953	237,118	306,071
NET ASSETS, END OF YEAR	$ 100,549	$ 227,447	$ 327,996

The Accompanying Notes Are An Integral
Part Of These Financial Statements

D.O.V.E. CENTER, INC.

Statement Of Functional Expenses

For The Year Ended June 30, 2005

	Program Services	Administrative	Total Expenses
Payroll:			
Salaries	$ 171,391	$ 42,848	$ 214,239
Payroll Taxes	21,115	5,279	26,394
Total Payroll	192,506	48,127	240,633
Other:			
Advertising	324	81	405
Books & Subscriptions	298	-	298
Client Costs	6,814	-	6,814
Food	631	-	631
Insurance	29,694	7,423	37,117
Licenses & Permits	-	351	351
Miscellaneous	1,044	261	1,305
Office Expense	-	4,264	4,264
Professional Services	9,874	2,469	12,343
Supplies	48,010	-	48,010
Repairs & Maintenance	5,981	-	5,981
Communications	8,415	2,104	10,519
Travel & Training	13,742	3,436	17,178
Utilities	6,195	195	6,390
Total Expenses Before Depreciation	323,528	68,711	392,239
Depreciation	12,094	1,821	13,915
Total Expenses	$ 335,622	$ 70,532	$ 406,154

D.O.V.E. CENTER, INC.

Statement Of Cash Flows

For The Year Ended June 30, 2005

Operating Activities:		
Cash Donations Received from Public	$	81,187
Cash Grants Received		296,200
Interest Income		1,009
Miscellaneous		-
Cash Paid to Providers and Employees		(343,821)
Net Cash Provided from Operations		34,575
Investing Activities:		
Purchase of Property, Plant and Equipment		-
Increase/(Decrease) in Cash		34,575
Cash at Beginning of Period		74,785
Cash at End of Period	$	109,360

The Accompanying Notes Are An Integral Part Of The Financial Statements

D.O.V.E. CENTER, INC.

Statement of Cash Flows (Continued)
For The Year Ended June 30, 2005

RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	$	21,925
Adjustments to Reconcile Net Change in Net Assets to Net Cash Provided by Operating Activities:		
Non-Cash Donations		(46,479)
Loss Disposal of Fixed Assets		723
Depreciation		13,915
Other Non-Cash Expenses		41,510
Changes in Operating Assets and Liabilities		
Increase in Accounts Receivable		(3,927)
Increase in Other Assets		-
Decrease in Prepaid Expenses		-
Increase in Accounts Payable		1,268
Increase in Accrued Liabilities		5,640
Net Cash Provided by Operating Activities	$	34,575

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. Background

D.O.V.E. Center, Inc. (the Center) was organized in 1993 and incorporated under the laws of the state of Utah. The Center owns and operates a crisis intervention facility to provide women and their children a temporary shelter when crisis intervention is deemed necessary.

The facility is a 4,000 square foot building with offices and six bedrooms that has a capacity of assisting 20 abused victims. The first clients utilized the facility in July 1995.

In addition, the Center provides emergency housing through local motels, etc., when room is not available at D.O.V.E. Center.

B. General

The accompanying financial statements of the D.O.V.E. Center, Inc. have been prepared in accordance with generally accepted accounting principles which require the use of management estimates and the accrual basis of accounting. Contributions are recorded when received unless susceptible to accrual.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

D. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Description of Programs

Program Services: Program services consist of temporary food, shelter, counseling and other services to provide spouses and their children support and shelter when they have been in abusive situations.

Administrative Services: Administrative services consist of essential but indirect services required to operate the center.

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

F. Cash and Cash Equivalents

The cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments.

At December 31, 2004, the bank balances were $109,475. Of the bank balances, $100,000 was covered by NCUA and $9,475 was uninsured.

G. Fixed Assets

Expenditures for physical properties are stated at cost. Donated assets are recorded at their estimated fair market values at the date of donation.

The Center follows the practice of capitalizing all expenditures for property, furniture, fixtures and office equipment in excess of $500. Depreciation of physical properties is calculated on the straight line basis over the following estimated useful lives:

Buildings	40 years
Equipment	10 years
Furniture & Fixtures	10 years
Landscaping	15 years

The net fixed asset balance has been recorded as a separate component in unrestricted net assets. Depreciation for the year ended June 30, 2005 was $13,915.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Income Taxes

The Center is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for Federal income taxes in the accompanying financial statements. In addition, the Center has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2005.

I. Revenue

The Center receives most of its grant/contract revenue from state agencies. Revenue recognition is on the accrual basis.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

NOTE 2: LEASE AGREEMENT

The Center has entered into a lease agreement with Washington County which is a one dollar per year lease for the land upon which the center is located. The lease is for an unspecified number of years and is expected to be renewed each year.

NOTE 3: DONATED SERVICES

The Center receives a significant amount of donated services from unpaid volunteers who assist in the Center in its day-to-day operation. No amounts have been recognized in the statements of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

NOTE 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2005, are deemed to be fully collectible by management and consisted of amounts receivable from the following State of Utah Agencies:

Office of Crime Victim Reparations	$ 3,016
Homeless Trust Fund	251
United Way	591
Department of Children & Family Services	2,561
Utah Attorney General's Office	5,749
Arizona Department of Public Safety	4,742
Violence Against Women Act Program	2,364
Total	$ 19,274

NOTE 5: DESIGNATED FUND BALANCES

Funds have been designated by the Board of Directors for future building improvements and other construction projects. The designated funds are not for routine repairs and maintenance.

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ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
D.O.V.E. Center, Inc.

We have audited the financial statements of D.O.V.E. Center, Inc. (a Nonprofit organization) as of and for the year ended June 30, 2005, and have issued our report thereon dated August 22, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the D.O.V.E. Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the D.O.V.E. Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

90 EAST 200 NORTH
ST. GEORGE, UT 84770
FAX: (435) 673-6166
(435) 673-6167

This report is intended solely for the information and use of the board of directors, management, and the state of Utah and is not intended to be and should not be used by anyone other than these specified parties.

Hafen, Buckner, Everett & Graff PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC
August 22, 2005

HAFEN
BUCKNER
EVERETT
& GRAFF, PC
CERTIFIED PUBLIC
ACCOUNTANTS

Board of Directors
D.O.V.E. Center
St. George, Utah

In planning and performing our audit of the financial statements of DOVE Center for the year ended June 30, 2005, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. (We previously reported on DOVE Center's internal control in our report dated August 22, 2005.) This letter does not affect our report dated August 22, 2005, on the financial statements of DOVE Center.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with DOVE Center management, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

DONATION RECEIPTS

Finding: Our testing of donation receipts revealed the following.
1. Receipts for cash and in-kind donations were not issued in perfect numerical order.
2. No receipt was issued for some donations received.
3. Not all in-kind donations were assigned a value.
4. Voided original receipts were not retained.
5. More than one receipt book was used for in-kind donations during the same time period.
6. Receipts were not signed by employee.

Recommendation: We recommend that employees issue a numbered receipt for all cash and in-kind donations received. We also recommend that numbered receipts be issued in perfect numerical order for purposes of control and accountability of all donations and that a value be given to all in-kind donations received. We further recommend that voided original receipts be retained with "void" written on them. We recommend that only one receipt book be used at a time for each cash and in-kind donations and that the employee receiving donations sign the donation receipt.

90 East 200 North
St. George, UT 84770
Fax: (435) 673-6166
(435) 673-6167

EXPENDITURES

Finding. Supporting documentation was not retained for all expenditures made.

Recommendation. We recommend that supporting documentation be retained for all expenditures made and that such documentation be attached to the voucher copy of the check.

MINUTES

Finding. A record of minutes and attachments of each Board meeting could not be located.

Recommendation. We recommend that minutes be taken for all meetings held, and that such minutes including attachments be retained for future reference.

We wish to thank Dove Center's personnel for their support and assistance during the course of our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss these matters with you further at your convenience.

Yours truly,

Hafen, Buckner, Everett & Graff PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC
August 22, 2005

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ACCOUNTANTS

August 22, 2005

Board of Directors
D.O.V.E. Center, Inc.
St. George, Utah

We have audited the financial statements of the DOVE Center for the year ended June 30, 2005, and have issued our report thereon dated August 22, 2005. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 7, 2005, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the DOVE Center. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the DOVE Center are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2005. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and

90 East 200 North
St. George, UT 84770
Fax: (435) 673-6166
(435) 673-6167

assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. At the present time the Center has no significant estimates.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgement, none of the adjustments we proposed, whether recorded or unrecorded by the Organization , either individually or in the aggregate, indicate matters that could have a significant effect on the Organization's financial reporting process.

Disagreements with Management

For the purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Board of Directors and management of the DOVE Center and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Hafen, Buckner, Everett & Graff PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC